

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 PC-01 AID-05 OMB-01 DHA-02 SP-02

USIA-06 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04

CEA-01 COME-00 AGR-05 CIAE-00 DODE-00 PM-04 H-02

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TO SECSTATE WASHDC 4076

INFO AMEMBASSY ABIDJAN

AMEMBASSY LAGOS

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C O N F I D E N T I A L ACCRA 6254

LONDON FOR SEITZ

EO 11652 GDS

TAGS/ PFOR PINT EGEN GH

SUB: CONDITIONS IN GHANA

REF: (A) ACCRA 6031, (B) ACCRA 5657,

1. SUMMARY: IN TERMS OF DOMESTIC POLITICS, GHANA IS NOW IN A STATE OF HIBERNATION. GEN. ACHEAMPONG AND THE SUPREME MILITARY COUNCIL (SMC) ELICIT NEITHER VIRULENT CRISICISM NOR EFFUSIVE PRAISE FROM GHANAIAAN CITIZENS. FEW BELIEVE A NEW GOVERNMENT WOULD BE MORE WILLING OR BETTER EQUIPPED TO COPE WITH THE COUNTRY'S INTRACTABLE ECONOMIC PROBLEMS. THE OUTLOOK IS FOR MORE OF THE SAME THOUGH THE END OF THE YEAR-- THE ECONOMY WILL STUMBLE ALONG, ACHEAMPONG AND THE SMC WILL STAY IN POWER AND THE PEOPLE OF GHANA WILL MUDDLE THROUGH WITH THEIR CUSTOMARY PATIENCE, RESILIENCE AND CHEERFULNESS. END SUMMARY.

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2. WITH THE EXCEPTION OF THE COUP TRIALS REPORTED REFS (A) AND

PREVIOUS, NATIONAL POLITICS ARE NON-EXISTENT. THE TRAILS THEMSELVES HAVE NOT GENERATED MUCH PUBLIC INTEREST AND THE NEW BUDGET (REF B), ALLEGEDLY DESIGNED TO CURTAIL INFLATION, HAS BEEN GREETED WITH APATHY AND DISBELIEF. EXPECTATIONS SEEM TO BE LOW AND DESPITE A DRUMROLL OF PROTEST ABOUT ECONOMIC DISLOCATIONS, GHANAIS ARE RESIGNED TO THE STATUS QUO AND ADJUST TO IT AS BEST THEY CAN.

3. SUCH ACTION AS THERE IS NOW IS ON THE ECONOMIC FRONT. THE SMC DEVOTES ITSELF TO ATTACKING SYMPTOMS OF ECONOMIC PROBLEMS, RATHER THAN THEIR CAUSES. THROUGHT THE CONTROLLED PRESS, IT TRIES TO SUBSTITUTE PREACHING FOR ACTION. THUS GHANAIS ARE EXHORTED TO HELP STAMP OUT WIDESPREAD SMUGGLING OF COCOA AND OTHER FOODSTUFFS FROM GHANA TO TOGO AND IVORY COAST, WHERE PRICES ARE MUCH HIGHER. PETTY TRADERS UNLUCKY ENOUGH TO HAVE CONTRABAND DISCOVERED WHILE TRYING TO CROSS THE BORDER ARE LASHED WITH HEAVY FINES AND STIFF JAIL SENTENCES. "MIDDLEMEN", "ALIENS" AND "QUEENMOTHERS OF THE MARKETPLACE" ARE PILLORIED IN THE PRESS FOR UNDEFINED BUT SINISTER ACTIVITIES PREJUDICIAL TO THE COUNTRY'S ECONOMIC DEVELOPMENT. ON THE OTHER HAND, WELL-CONNECTED INFLUENTIAL GHANAIS INVOLVED IN SHADY OR ILLEGAL PRACTICES MANAGE TO AVOID THE NOTICE OF BOTH PRESS AND AUTHORITIES.

4. DESPITE THE WAR OF WORDS, THE SMC HAS DONE NOTHING TO DAMPEN INFLATION, WHICH IS RUNNING AT LEAST AN ESTIMATED 50 PERCENT PER YEAR. THE CEDI, OFFICIALLY VALUED AT 87 CENTS, IS WORTH NO MORE THAN AROUND 30 CENTS ON THE OPEN (BLACK) MARKET. ONE POSSIBLE STEP--DEVALUATION-- IS ANATHEMA BECAUSE OF THE POLITICAL FALLOUT; NO ONE FORGETS BUSIA'S GOVERNMENT WAS OVERTHROWN IN JAN 1972 IMMEDIATELY AFTER IT HAD DEVALUED THE CEDI. OTHER CONSTRUCTIVE STEPS-CUTTING BACK ON LUXURY IMPORTS, INCREASING COCOA PRODUCTION AND CLAMPING DOWN ON FLAGRANT CASES OF CORRUPTION--ARE UNPALATABLE, COSTLY, OR REQUIRE A LONG LEAD-TIME. AN ACUTE SHORTAGE OF SPARE PARTS FOR VEHICLES AND OTHER EQUIPMENT HAS IDLED MUCH VITAL MACHINERY AND CONTRIBUTED TO FURTHER DELAYS AND DISLOCATIONS IN GHANA'S CRANKY DISTRIBUTION SYSTEM. IMPORT LICENSES ARE GRANTED HAPHAZARDLY OR ON THE BASIS OF FAVORITISM; MERCEDES-BENZ' AND AUDIS WILL PROBABLY STILL BE RUNNING WHEN THE BUSES

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COLLAPSE.

5. IDEOLOGICALLY, THE SMC HAS OFFERED LITTLE MORE THAN CONTINUITY AND CALLS FOR UNITY AND HARD WORK. IT CANNOT BOAST OF CHARISMATIC LEADERS, ALTHOUGH ACHEAMPONG HIMSELF HAS SHOWN POLITICAL SKILL IN PLAYING RIVALS OFF AGAINST EACH OTHER AND FINALLY EASING THEM OUT OF THE GOVERNMENT WITH NO BLOODSHED AND A MINIMUM OF FUSS. IT IS DOUBTFUL, HOWEVER,

THAT HE OR OTHER OFFICERS HAVE ANY CLEAR IDEA OF WHERE GHANA SHOULD BE GOING AND HOW THEY CAN LEAD IT THERE. THE LACK OF IDEOLOGICAL UNDERPINNINGS IS ONE OF THE REASONS WHY THE PRESENT REGIME DOES NOT COMMAND MUCH POPULAR SUPPORT. ON THE OTHER HAND, THE FACT NO ATTRACTIVE ALTERNATIVES ARE AVAILABLE HAS HELPED KEEP THE SMC IN POWER DESPITE ITS SHORTCOMINGS.

6. TRADITIONAL POLITICS CONTINUE AT THE TRIBAL LEVEL WITHOUT REFERENCE TO NATIONAL ISSUES. THE CONTESTED ELECTION OF 34 YEAR OLD DR. FREDUA AGYEMANG AS OKYENHENE (GHANA'S SECOND-RANKING CHIEFTANCY) INVOLVES BOTH A GENERATIONAL STRUGGLE AND QUESTIONS OF CUSTOMARY LAW (E.G., IS THE NEW OKYENHENE UN-CIRCUMCIZED, AS TRADITION DEMANDS?). HOWEVER, THE SELECTION OF CHIEFS FREQUENTLY STRIS UP LITIGATION; DR. FREDUA'S FORTUNES WILL NOT UNSETTLE THE NATIONAL SCENE BUT PLAY, NONETHELESS, A MAJOR ROLE IN THE ORDINARY LIFE OF MANY GHANAIS.

7. FORECASTING EVENTS HERE IS A HAZARDOUS CALLING BUT WE SEE ONLY MORE OF THE SAME THROUGH THE END OF THE YEAR. A RISING TIDE OF ECONOMIC PROBLEMS WILL TRY GHANAIS' PATIENCE AND WILL FURTHER ERODE THEIR CONFIDENCE IN THE SMC. STRINGENT MEASURES TO CONTROL INFLATION, CONSERVE FOREIGN EXCHANGE AND DEVALUE THE CEDI ARE BEING URGED BY THE IMF AND BY SOME GHANAIS BUT IT IS DOUBTFUL THE SMC IS PREPARED TO BITE THE BULLET AT THIS TIME. HOWEVER, THE ECONOMY WILL NOT SELF-DESTRUCT AND THE PRESENT REGIME WILL NOT BE DEPOSED. IN THE EVENT ACHEAMPONG SHOULD BE OVERTURNED BY AN UNEXPECTED COUP, HE WOULD ALMOST CERTAINLY BE REPLACED BY ANOTHER OFFICER CAST FROM A SIMILAR MOLD AND FACED WITH THE SAME PROBLEMS.
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